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JOY CORPORATION OF BATON ROUGE

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/19/10

JOY CORPORATION OF BATON ROUGE
FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

Page No.

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American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT

Board of Directors of
Joy Corporation of Baton Rouge
P. O. Box 361
Zachary, Louisiana 70791

We have audited the accompanying basic financial statements of Joy Corporation of Baton Rouge as of and for the year ended June 30, 2009, as listed in the table of contents. These basic financial statements are the responsibility of Joy Corporation of Baton Rouge's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Joy Corporation of Baton Rouge as of June 30, 2009, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated February 19, 2010, on our consideration of Joy Corporation of Baton Rouge's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The schedules of expenditures of federal awards is not a required part of the basic financial statements but is presented for purposes of additional analysis in accordance with OMB Circular A-133. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mary Sue Stages, CPA

Mary Sue Stages, CPA
A Professional Accounting Corporation
February 19, 2010

FINANCIAL STATEMENTS

JOY CORPORATION OF BATON ROUGE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS		
Cash and cash equivalents		$ 8,479.81
Grants receivable		87,896.11
Security deposits		500.00
Property and equipment, net		9,339.68
	TOTAL ASSETS	106,215.60
LIABILITIES		
Accounts payable		1,300.40
Due to stockholders		68,000.00
	Total Liabilities	69,300.40
NET ASSETS		
Unrestricted, undesignated		36,915.20
	TOTAL LIABILITIES AND NET ASSETS	106,215.60

See Accompanying Notes and Auditors' Report

JOY CORPORATION OF BATON ROUGE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

<u>UNRESTRICTED NET ASSETS</u>	
UNRESTRICTED REVENUES AND GAINS	
Professional services provided	$ 183,852.23
NET ASSETS RELEASED FROM RESTRICTIONS	
Restrictions satisfied by payments	419,885.19
Total Unrestricted Revenues, Gains and Other Support	603,737.42
EXPENSES	
Program Services	
Primary Prevention	391,160.58
Educational Enhancements	273,322.67
Supporting Services	
Management and general	8,097.97
Total Expenses	672,581.22
DECREASE IN UNRESTRICTED NET ASSETS	(68,843.80)
<u>TEMPORARILY RESTRICTED NET ASSETS</u>	
Support from Capital Area Human Services District	131,339.40
Support from Louisiana Department of Social Services	47,967.50
Support from Louisiana Department of Health and Hospitals	23,983.84
Support from Louisiana Department of Education	216,594.45
Net assets released from restrictions:	
Restrictions satisfied by payments	(419,885.19)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	-
CHANGE IN NET ASSETS	(68,843.80)
NET ASSETS, BEGINNING OF YEAR	105,759.00
NET ASSETS, END OF YEAR	36,915.20

See Accompanying Notes and Auditors' Report

JOY CORPORATION OF BATON ROUGE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009

Account Name	Program: Primary Prevention	Program: Educational Enhancements	Supporting: General & Admin	Total
Salaries and related benefits	$ 166,008.25	$ 98,645.87	$ -	$ 264,654.12
Other personal/professional services	117,548.08	103,826.00	1,787.37	223,161.45
Depreciation	4,655.86	-	245.04	4,900.90
Operating services:				
Telecommunications	8,226.73	-	432.97	8,659.70
Office and operating expenses	19,443.06	3,000.00	2,945.21	25,388.27
Rent and other occupancy expenses	35,093.58	18,811.65	2,687.38	56,592.61
Supplies	14,320.59	33,740.85	-	48,061.44
Travel and conferences	25,864.43	15,298.30	-	41,162.73
Total Expenses	391,160.58	273,322.67	8,097.97	672,581.22

JOY CORPORATION OF BATON ROUGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from donors/grantors	$	463,246.75
Cash received for services rendered		183,852.23
Cash paid for employees and professionals		(487,815.57)
Cash paid for goods and services		(190,803.60)
Net Cash Used for Operating Activities		(31,520.19)
CASH FLOWS FROM INVESTING ACTIVITIES		-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of loans from stockholders		88,000.00
Payments on loans		(48,000.00)
Net Cash Provided by Financing Activities		40,000.00
INCREASE IN CASH AND CASH EQUIVALENTS		8,479.81
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		-
CASH AND CASH EQUIVALENTS, END OF YEAR		8,479.81
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED FOR OPERATING ACTIVITIES		
Change in net assets	$	(68,843.80)
Adjustments to Reconcile Change in Net Assets to Net Cash Used for Operating Activities:		
Depreciation		4,900.90
(Increase) decrease in assets:		
Grants receivable		43,361.56
Increase (decrease) in liabilities:		
Accounts payable and overdrafts		(10,938.85)
NET CASH USED FOR OPERATING ACTIVITIES		(31,520.19)

See Accompanying Notes and Auditors' Report

NOTES TO FINANCIAL STATEMENTS

JOY CORPORATION OF BATON ROUGE
INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities
Joy Corporation of Baton Rouge (hereafter referred to as the Corporation), a Louisiana non-profit corporation, was incorporated on April 24, 2001, and is domiciled in Zachary, Louisiana. It was formed to '...create, establish and promote rehabilitative programs for victims of adult, child and substance abuse//incarcerated persons returning to the community//a community-based computer training facility for disadvantaged, at risk adults and youth...' Nearly 70% of the Corporation's support for the year ended June 30, 2009, came from federal grants and awards.

The accounting policies of the Corporation conform to accounting principles generally accepted in the United States of America as applicable to non-profit organizations. The significant accounting policies are as follows:

Method of Accounting
The financial statements of the Corporation have been prepared utilizing the accrual basis of accounting.

Financial Statement Presentation
The Corporation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *"Financial Statements of Not-for-Profit Organizations"*. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, it is required to present a statement of cash flows. As permitted by this new statement, the Corporation has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets in the year it was adopted.

Contributions
The Corporation has elected to adopt SFAS No. 116, *"Accounting for Contributions Received and Contributions Made"*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose of the restriction. As permitted by SFAS No. 116, the Corporation has retroactively applied the provisions of this new statement by restating net assets.

Contributed Goods and Services
No amounts have been recognized in the accompanying financial statements because not all of the criteria for recognition under SFAS No. 116, *"Accounting for Contributions Received and Contributions Made"*, were satisfied.

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Corporation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. While separate accounts are not required, the grant agreements executed by the Corporation require that any agency funds co-mingled with funds from other sources be considered entirely public funds.

Receivables
Receivable consists of amounts due under federal and state grants/awards. The Corporation uses the direct write-off method of accounting for uncollectible receivables. Use of this method is not materially different from the allowance method required by generally accepted accounting principles, as all receivables are considered collectible. For this reason, there is no allowance recorded in the accompanying financial statements.

Property and Equipment
Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment purchased by the Corporation is recorded at cost. They are depreciated using the straight-line method over the estimated useful lives of the assets. Equipment with an original cost of $500 or greater is capitalized. Interest during the construction or renovation of long-lived assets is normally capitalized. The earnings on the borrowings reduce this amount during the same period, if any.

Income Taxes
The Corporation is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no liability or expense has been recorded in the accompanying financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

At June 30, 2009, the Corporation had $8,479.81 in demand deposit overdrafts. Collected bank balances were $13,217, secured through FDIC.

NOTE 3 – RECEIVABLES

Amounts due to the Corporation at June 30, 2009, are as follows:

21st Century Community Learning Center Program	$ 60,102.98
Tobacco Initiatives	2,389.67
Strengthening Families Programs	7,903.46
TANF – Teen Pregnancy Prevention	17,500.00
Total	87,896.11

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2009:

Equipment	$ 29,420.32
Office furniture	3,000.00
Vehicles	18,587.05
Sub-total	51,007.37
Less: accumulated depreciation	(41,667.69)
Net	9,339.68

NOTE 5 – ACCOUNTS PAYABLE

Payables consist of the following:

Trade	$ 1,300.40

NOTE 6 – LEASES

The Corporation was obligated under one lease agreement relating to office equipment through May 31, 2009.

The Corporation leases its copier through Canon Financial Services, Inc. Beginning on May 20, 2004, this lease included 60 monthly payments of $240 plus tax with an option to purchase the copier at its fair market value at the end of the lease term.

NOTE 7 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the expiration of time during the year.

Purpose restriction accomplished:

Primary prevention programs	$ 391,160.58
Educational enhancement programs	273,322.67
Total	664,494.25

NOTE 8 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and supporting services of the Corporation have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. This allocation is summarized in the statement of functional expenses.

NOTE 9 – LIQUIDITY OF ASSETS AND LIABILITIES

The liquidity of the Corporation's assets and liabilities are as follows:

Cash and cash equivalents	$ 8,479.81
Grants receivable	87,896.11
Total Current Assets	96,375.92
Accounts and other payables	1,300.40
Liquidity	95,075.52

NOTE 10 – RELATED PARTY TRANSACTIONS

During the year, an officer of the Corporation, Ronald Jackson, provided services to the Corporation in the way of facilitation and training. He was paid approximately $97,500 in facilitator/trainer fees and salaries.

The Corporation owes this officer $68,000.00 at June 30, 2009.

The wife of this officer provided training/facilitation services to the Corporation and was paid approximately $7,500.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Litigation and Claims. There is no pending or threatened litigation against the Corporation.

Going Concern. The Corporation relies primarily on federal and state funding. Failure to receive this funding would significantly impact its ability to continue as a going concern.

NOTE 12 – SUBSEQUENT EVENTS

There were no subsequent events that would materially impact the accompanying financial statements.

SUPPLEMENTAL INFORMATION

JOY CORPORATION OF BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
Major Programs		$ -
Other Federal Awards		
U.S. Department of Health and Human Services		
Passed Through		
Louisiana Capital Area Human Services District		
Strengthening Families Program	93.959	138,809.40
Passed Through		
Louisiana Department of Health and Hospitals		
Tobacco Initiatives		21,594.17
Passed Through		
Louisiana Department of Social Services		
Temporary Assistance for Needy Families:		
Teen Pregnancy Prevention	93.558	47,967.50
After School for All	93.558	158,315.00
Passed Through		
Louisiana Department of Education		
21st Century Community Learning Center Program	84.287C	96,560.68
Total Expenditures		463,246.75

See Auditors' Report

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Louisiana Society of Certified Public Accountants
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors of
Joy Corporation of Baton Rouge
P. O. Box 361
Zachary, Louisiana 70791

We have audited the financial statements of Joy Corporation of Baton Rouge as of and for the year ended June 30, 2009, and have issued our report thereon dated February 19, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Joy Corporation of Baton Rouge's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described as finding 2009-1 in the schedule of findings and questioned costs.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Joy Corporation of Baton Rouge's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Joy Corporation of Baton Rouge's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Joy Corporation of Baton Rouge's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the governmental agency's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement on the agency's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the governmental agency's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.

Mary Sue Stages, CPA

Mary Sue Stages, CPA
A Professional Accounting Corporation
February 19, 2010

JOY CORPORATION OF BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

We have audited the financial statements of Joy Corporation of Baton Rouge as of and for the year ended June 30, 2009, and have issued our report thereon dated February 19, 2010. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2009, resulted in an unqualified opinion.

Section I Summary of Auditors' Report

1. Report on Compliance and Internal Control Material to the Financial Statements

Compliance	Material Weakness	■ No
	Control Deficiency (ies)	■ No
Internal Control	Material Weakness	■ No
	Control Deficiency (ies)	■ No

2. Federal Awards

Compliance	Material Weakness	■ No
	Control Deficiency (ies)	■ No
Internal Control	Material Weakness	■ No
	Control Deficiency (ies)	■ No

Section II Financial Statement Findings

2009-01 Compliance with Audit Law

Criteria. Louisiana Revised Statute 24:513 requires that an audited financial report be submitted to the Legislative Auditor no later than six months following the close of the entity's year-end or December 31st.

Condition. The annual report for the year ended June 30, 2009, was not submitted by December 31st.

Impact. The Organization is not in compliance with applicable laws.

Recommendation. We recommend that the annual report be executed in sufficient time for submission by the due date each year.

Management's Response. We will comply with this recommendation.

Section III Federal Award Findings and Questioned Costs

N/A

JOY CORPORATION OF BATON ROUGE
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2009

Section I Internal Control and Compliance Material to the Financial Statements

2008-01 Timely and Effective Reconciliations

Condition/Effect: The bank statements were improperly reconciled on a monthly basis

Recommendation: Reconcile the bank statements on a monthly basis, make any needed adjustments and a more active role in review by management

Disposition. Resolved

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

JOY CORPORATION OF BATON ROUGE
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2009

Section I Internal Control and Compliance Material to the Financial Statements

Please refer to Response as summarized in the Schedule of Findings and Questioned Costs

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A